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ABSTRACT

Chapter 1 was created from its predecessor, Title 1, in order to give more flexibility to states and local school districts. Many of the requirements and criteria of Title 1 were relaxed in 1981 when Chapter 1 began. Districts are now required to submit written plans of their new Chapter 1 organization assuring the comparability of services between Chapter 1 and non-Chapter 1 schools. A majority of the states have now adopted less restrictive means of measuring comparability than allowed under Title 1. Variances between Chapter 1 and non-Chapter 1 schools in the same district have increased. Rules for the retention of comparability documentation have been relaxed, and the widely varying definitions of "instructional staff" among states is causing an imbalance of teachers between Chapter 1 and non-Chapter 1 schools. This document, addressed to the U.S. Secretary of Education, recommends provisions at the federal level to require: (1) the retention of comparability documentation which demonstrates compliance, and (2) the defining of "instructional staff," for use in demonstrating comparability in ratio of pupils to staff. (VM)

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United States General Accounting Office

GAO

Report to the Secretary of Education

August 1987

COMPENSATORY EDUCATION

Chapter 1's Comparability of Services Provision

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-227775

August 27, 1987

The Honorable William Bennett
The Secretary of Education

Dear Mr. Secretary:

On March 3, 1987, we testified before the Subcommittee on Elementary, Secondary, and Vocational Education, House Committee on Education and Labor, concerning the reauthorization of the Chapter 1 compensatory education program.[1] Our testimony highlighted several concerns involving Chapter 1's "comparability of services" provision, which in effect requires that children in areas receiving Chapter 1 assistance not receive less in the way of state and local funded services than children in areas not receiving Chapter 1 assistance.

Of primary concern were

- the states' confusion concerning the need to maintain documentation to demonstrate comparability;
- the majority of the states adopting means of measuring comparability that were less restrictive than formerly required and relaxing the percentage of variance allowed in determining comparability compliance between Chapter 1 and non-Chapter 1 schools in the same school district; and
- the lack of uniformity among states in defining "instructional staff," which could result in a Chapter 1 school having fewer classroom teachers per student than a non-Chapter 1 school in the same school district.

After our testimony, the Subcommittee suggested that we bring these matters to your attention so that consideration could be given to revising Chapter 1 regulations to address the concerns we identified.

The following sections briefly describe the concerns we noted during our review of the states' implementation of the comparability of services provision of Chapter 1 of the Education Consolidation and Improvement Act of 1981 (Public Law 97-35, Title V, Subtitle D). This report reflects the information we received from the 50 states and the District of Columbia. Our review's objective, scope, and methodology appear in appendix I. We obtained views of Department program officials on a

[1]Education's Chapter 1 and 2 Programs and Local Dropout Prevention and Reentry Programs, Statement of William J. Gainer, Associate Director, Human Resources Division (GAO/T-HRD-87-2, Mar. 3, 1987).

draft of this report and made changes where appropriate. Recent GAO products related to education of the disadvantaged are listed at the end of this report.

Background

Chapter 1 of the Education Consolidation and Improvement Act sought to reduce federal control in the Title I program—Chapter 1's predecessor—and increase state and local program flexibility. Accordingly, in issuing Chapter 1 regulations, the Department of Education made the following changes to the former Title I regulations:

- Eliminating the specific criteria for demonstrating comparability between Chapter 1 and non-Chapter 1 schools (no more than a 5-percent variance of expenditures per pupil and student enrollment per staff member).
- Eliminating the requirement that comparability be demonstrated a second time during the school year.

Under Title I, school districts could not discriminate against or among Title I-funded schools in providing state and local resources. Title I required state and local spending per pupil to be roughly equivalent—or "comparable"—among all district schools. This comparability of services requirement was retained in the Chapter 1 legislation. Accordingly, the current Chapter 1 law and regulations provide that to be considered in compliance with the comparability requirement, school districts must file a written assurance with the state education agency that they have established

- a district-wide salary schedule (to demonstrate that teachers are paid at an equivalent level throughout the school district);
- a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and
- a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

School districts submit these written assurances to state education agencies because the Chapter 1 legislation also eliminated specific annual local reporting requirements.

In 1983, the Department of Education issued guidance to the states to assist them in administering Chapter 1 projects. However, this guidance is not binding on the states, and they may develop alternative approaches consistent with the statute and regulations.

Confusion Concerning Record-Keeping Requirements to Document Comparability of Services

Both the Chapter 1 legislation and the specific section of the program regulations on comparability of services (34 C.F.R. 200.60) are silent on whether records are to be maintained to demonstrate comparability. Rather, record keeping for Chapter 1 program compliance purposes is required more generally by 34 C.F.R. 204.10, which does not specifically refer to comparability. Section 204.10 requires that state and local education agencies receiving Chapter 1 funds keep records needed to "facilitate an effective audit of the Chapter 1 project and that show compliance with Chapter 1 requirements." As a result of the lack of a specific record-keeping requirement for comparability, five states (California, Indiana, Kentucky, New York, and Texas) eliminated such a record-keeping requirement.

Under Title I, local school districts were required to submit annually to their state education agency a report on their compliance with specific criteria for determining comparability. Regulations specified the data to be included in the comparability report and the date on which such data must be collected.

The Department of Education issued nonregulatory guidance to state education agencies on Chapter 1's comparability of services provision in June 1983. However, this guidance is not uniformly followed and appears to have confused some state officials. The Department's guidance states that local education agencies should retain documentation to show that they have implemented the policies contained in their assurances, but this guidance is not binding. Instead, state and local officials need only "consider" the guidance in developing their own guidelines and standards. Officials in Indiana and Texas—two of the five states that have eliminated their record-keeping requirements—told us they are confused by this guidance since state and local officials apparently are not required to follow it.

Different Means to Measure Comparability of Services

Chapter 1 regulations do not specify the criteria to be used by local school districts to support the written assurances they make to state education agencies that comparable services are being provided. Consequently, a majority of the states have adopted ratios for measuring comparability that are less restrictive than were required under Title I. Further, a majority of the states have relaxed the percentage of variance formerly allowed under Title I regulations between participating and nonparticipating schools. Thus, it is easier to be considered comparable under the Chapter 1 program than it was under the Title I program.

Title I regulations specified criteria for determining compliance with the comparability requirement. A school district was in compliance if

- the average number of children enrolled per instructional staff member for each school serving Title I students was not more than 105 percent of the average number of children enrolled per instructional staff member in schools serving school attendance areas in the school district that were not receiving Title I assistance; and
- the average per pupil expenditure of state and local funds for instructional staff in each school serving Title I students was not less than 95 percent of the average per pupil expenditure of state and local funds for instructional staff in schools serving school attendance areas in the school district that were not receiving Title I assistance.

According to the Department, its former Title I regulations permitted up to a 5-percent variance to avoid an unmanageable and overly technical application of the comparability provision. In addition to requiring that comparability be calculated by November 1 of each school year, the Title I regulations required comparability to be recalculated at least once during the period January 1 through April 30 to show maintenance of comparability. For the recalculation, up to a 10-percent variance was allowed in determining whether a school district had maintained comparability.

Chapter 1 regulations do not specify criteria for demonstrating comparability and maintenance of comparability. Under the Department's June 1983 nonregulatory Chapter 1 guidance, a state education agency may use a 10-percent variance or establish its own reasonable limits for determining comparability. The nonregulatory guidance makes no reference to a recalculation during the second half of the school year.

We identified 45 states and the District of Columbia that require their school districts to maintain records documenting comparability. Table 1 shows the ratios these jurisdictions use to determine comparability.

Table 1: Ratios Used in 45 States and the District of Columbia to Determine Comparability of Services Between Chapter 1 and Non-Chapter 1 Schools

State-required ratios	Number of states
Pupils to instructional staff only	22
Salary expenditures to pupils only	0
Both pupils to instructional staff and salary expenditures to pupil	17
Either pupils to instructional staff or salary expenditures to pupil	4
Other	3
Total	**46**

In addition, 31 of the 46 states have increased the variance allowed to demonstrate comparability between Chapter 1 and non-Chapter 1 schools from 5 to 10 percent. The other 15 states continue to use the 5-percent variance, which was initially required under Title I regulations.

In eight of the nine school districts we visited, we found no evidence that the districts failed to achieve comparability. (In the other district [School District of Philadelphia], we were unable to test comparability because the district did not maintain complete and current records.) However, with some states having adopted less restrictive means of measuring comparability coupled with the relaxation of the percentage of variance allowed between Chapter 1 and non-Chapter 1 schools to show comparability, schools in such states may not be as comparable now as they were before passage of Chapter 1 legislation.

Although the Chapter 1 legislation was intended to provide more flexibility and control to states and localities, the comparability requirement remained in effect. Nevertheless, it is now possible under Chapter 1 for project schools to be considered comparable when they do not provide levels of state and locally funded services that would have been required to meet comparability under Title I. For example, under current regulations, using a 10-percent variance, a Chapter 1 school that has a pupil-instructional staff ratio of 22 to 1 is considered to be comparable to nonproject schools in the same school district that have an average ratio of 20 to 1. These schools would not have been considered comparable under Title I.

Uniformity Lacking in State Definitions of "Instructional Staff"

The 39 states that require their school districts to demonstrate comparability by calculating and comparing the ratio of pupils to instructional staff had widely varying definitions of "instructional staff." (See table 2.) By including personnel who do not provide education services in a classroom setting as instructional staff, Chapter 1 and non-Chapter 1

schools in the same school district might appear to be providing comparable services when they actually are not. Neither current federal regulations nor guidelines contain a definition of instructional staff.

Table 2: State Definitions of Instructional Staff

Definition	Number of states
Teachers and instructional aides	4
Teachers, aides, and personnel with college degrees[a]	10
Teachers, aides, and personnel with and without college degrees[b]	24
No specific definition contained in state program guidance	1
Total	**39**

[a]Includes, for example, teachers, principals, consultants, and librarians.

[b]Includes, for example, aides, clerical staff, and other paraprofessionals.

In addition, some school districts choosing to complete comparability reports, not required by their states, have established definitions of instructional staff. This further complicates the problem of nonuniform definitions. In states or school districts that broadly define instructional staff, the opportunity exists for districts to assign relatively more classroom teachers to non-Chapter 1 schools than to Chapter 1 schools while appearing to comply with the comparability requirement.

Conclusions

Chapter 1 of the Education Consolidation and Improvement Act of 1981 and its implementing regulations gave states and local school districts more flexibility and control in demonstrating comparability. However, the law still retained the basic Title I requirement that children in areas receiving Chapter 1 assistance receive state and local services comparable to those received by children in areas without Chapter 1 assistance. A majority of the states have adopted less restrictive means of measuring comparability than allowed under Title I, and variances between Chapter 1 and non-Chapter 1 schools in the same school district have generally been permitted to increase.

In addition, states no longer uniformly require local school districts to retain comparability documentation. Moreover, the widely varying definitions of "instructional staff" among states make it possible for school districts to assign relatively more classroom teachers to non-Chapter 1 schools than Chapter 1 schools, while apparently complying with the comparability requirement.

Recommendations to the Secretary of Education

We recommend that you publish provisions under 34 C.F.R. 200.60 (1) specifying that local school districts must retain documentation demonstrating compliance with the comparability requirement and (2) defining "instructional staff" for use in calculating and comparing the ratio of pupils to instructional staff for demonstrating comparability.

As you know, 31 U.S.C. 720 requires you to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of this report and to the House and Senate Committees on Appropriations with the Department's first request for appropriations made more than 60 days after the date of this report.

We would be glad to meet with you and your staff to discuss these issues. We are sending copies of this report to the above-mentioned committees; the Director, Office of Management and Budget; and the Chairman of the Subcommittee on Elementary, Secondary, and Vocational Education, House Committee on Education and Labor. We will make copies available to others upon request.

Sincerely yours,

Edward A Densmore

for Richard L. Fogel
Assistant Comptroller General

Objective, Scope, and Methodology

In October 1986, the Chairman and Ranking Minority Member of the Subcommittee on Elementary, Secondary, and Vocational Education, House Committee on Education and Labor, asked us to review the states' implementation of the "comparability of services" provision of Chapter 1 of the Education Consolidation and Improvement Act of 1981. Our objective was to determine the extent to which local school districts can support the written assurances they make to state education agencies that services provided in Chapter 1 schools are comparable to those provided in non-Chapter 1 schools.

We obtained documentation from the 50 states and the District of Columbia describing their policies and procedures under Title I and Chapter 1 to assure comparability of services in local school districts. We reviewed this documentation to determine (1) to what extent state policies and procedures changed as a result of the 1981 changes to the legislation and (2) how such changes would affect the extent to which local school districts could support their assurances of comparability. When necessary, we supplemented this documentation with telephone interviews with state officials. We also met with Chapter 1 program officials from the Department of Education.

We obtained more detailed information on state and local compliance with comparability of services at four state education agencies and nine school districts in those states as follows:

California
- Elk Grove Unified School District.
- Richmond Unified School District.
- San Juan Unified School District.

New York
- Schenectady School District.
- Utica School District.

Pennsylvania
- School District of Philadelphia.
- York School District.

Texas

- Austin Independent School District.
- Round Rock Independent School District.

We selected these states because they were among those that reduced their record-keeping requirements—a factor that could affect their compliance with Chapter 1's comparability of services provision.

Our review was conducted in accordance with generally accepted government auditing standards.

Recent GAO Reports and Testimony Related to Education of the Disadvantaged

Reports

School Dropouts:
Survey of Local Programs
GAO/HRD-87-108, 7/20/87

Compensatory Education:
Chapter 1 Participants Generally Meet Selection Criteria
GAO/HRD-87-26, 1/30/87

School Dropouts:
The Extent and Nature of the Problem
GAO/HRD-86-106BR, 6/23/86

Testimony

Education's Chapter 1 and 2 Programs and Local Dropout Prevention and Reentry Programs (Statement of William J. Gainer, Associate Director, Human Resources Division, U.S. General Accounting Office, before the Subcommittee on Elementary, Secondary, and Vocational Education, House Committee on Education and Labor)
GAO/T-HRD-87-2, 3/3/87

The School Dropout Problem (Statement of William J. Gainer, Associate Director, Human Resources Division, U.S. General Accounting Office, before the Subcommittee on Elementary, Secondary, and Vocational Education, House Committee on Education and Labor)
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